

1,956

A2An 77

Cap. 2

UNITED STATES DEPARTMENT OF AGRICULTURE  
Production and Marketing Administration  
Washington 25, D. C.

September 1, 1953

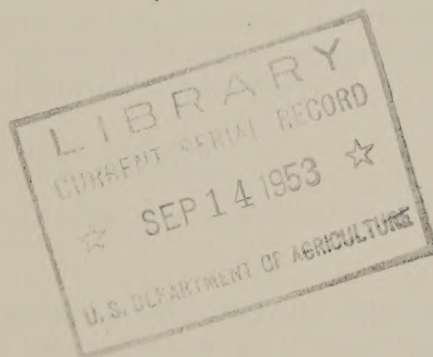
To: Frederick W. Babbel, Administrative Assistant to the  
Secretary

From: Deputy Administrator

Subject: Annual Management Report for the 1953 Fiscal Year

In accordance with Mr. Coke's memorandum of July 17, 1953, we are enclosing 10 copies of PMA's annual management report for the year ending June 30, 1953.

*M. B. Braswell*







UNITED STATES DEPARTMENT OF AGRICULTURE  
Production and Marketing Administration

Annual Report on Management Improvement Program

August 31, 1953

PMA's program responsibilities and objectives are extensive and complex. Beginning with production adjustment programs designed to assure a balanced supply of required agricultural commodities, PMA administers price support, research, marketing, and surplus disposal programs each composed of varied but related functions. For example the marketing programs include marketing agreements and orders; marketing research and standardization; market news, inspection and grading; and marketing regulatory functions. PMA is also responsible for the field administration of other programs on an agreement basis such as the Agricultural Conservation Program.

Our management facilities and techniques described in previous reports are being continued. We continue to use budget surveys, work status reports, records management, forms control, reports control, supervisory development, and other good management practices. The effectiveness of these practices is constantly checked. For example, a recent study of one large field office showed a 40 percent reduction in man-hours devoted to the preparation of reports. Similar results seem probable in other offices as a result of our reports control program. As a result of the decentralization of grain loan activities (reported last year) we have intensified our auditors' training program and expanded the audit coverage of State and county offices.

As reported below our major improvement efforts have recently been primarily concerned with reorganizing and staffing the Washington and field offices to achieve the utmost simplicity, control, and economy in administrative processes. In considering these questions the guiding factor was the maintenance or improvement of operational effectiveness through realignment of field areas; improvement of inter-area relationships; separation of policy and operating responsibilities; decentralization of program responsibilities; and consolidation of service activities.

Major Organizational Changes

The major organizational changes made to date are outlined in the following paragraphs.

We achieved a standardized pattern of organization for all PMA Commodity Offices and also reduced the number of such offices by a reassignment of administrative areas. By adopting a standard pattern for each of the Commodity Offices the greatest possible efficiency was obtained in inter-area transactions. The San Francisco and New York Commodity Offices were abolished and the States formerly in their respective administrative areas were reassigned to the Portland, Chicago, or New Orleans PMA Commodity Office.



The New York City Marketing Office of the Office of the Assistant Administrator for Marketing was abolished and its responsibilities were assumed by the New York Area Office of the Food Distribution Branch.

Plans have been formulated for closing the New York Office of Audit and transferring its functions to the Washington Office of Audit.

The Boston FMA Commodity Office was established to carry out the Price Support Program for wool and mohair, a function formerly performed by the Wool Division of the Livestock Branch. While the Boston FMA Commodity Office is primarily a "wool office," it also is responsible for examining warehouses containing commodities owned or under loan to CCC in the New England area.

The Wheat Agreement Staff, which administers functions pertaining to the United States' participation in the International Wheat Agreement was transferred from the Office of the Assistant Administrator for Commodity Operations to the Grain Branch. This will provide an integration of operating responsibilities of the two units.

The State Marketing Services Staff which has responsibility for establishing and maintaining cooperative relationships with State Departments of Agriculture in connection with marketing service programs under the Agriculture Marketing Act of 1946 was transferred from the Office of the Assistant Administrator for Marketing to the Marketing and Facilities Research Branch. This will result in a better coordinated program.

During a detailed survey of field office administrative areas, operational responsibilities, and staffing requirements, considerable thought was given to the most efficient area pattern for field offices concerned with administrative activities of a service nature. As a result a new three area pattern was adopted with headquarters at Denver, Chicago, and Washington, D. C. Area Administrative Services Divisions formerly located at Atlanta, Dallas, New York, and San Francisco were abolished and remaining personnel assigned to the new headquarters. A similar reorganization is in process for the Area Personnel Management Divisions. Also newly established Administrative Accounting Divisions at the headquarter cities will be assigned responsibility for administrative accounting activities formerly performed by the 8 Commodity Offices and possibly the 48 State Offices. These actions will substantially reduce personnel requirements and overhead costs.

In Washington, most of the preliminary work has been completed toward abolishment of the Office of Materials and Facilities and Office of Requirements and Allocations with approximately a 50 percent staff reduction. Remaining personnel and necessary defense and mobilization activities will be assigned to a newly created Mobilization Activities Branch. The Office of the Assistant Administrator for Program Coordination was also abolished.



### Budgetary Reviews and Reduction-in-Force

Beginning in February detailed budgetary reviews were conducted by the Administrator to determine where economies could be effected and efficiency improved. Each Branch Director and Office Chief was called into a meeting and all programs, activities, and staffing requirements were reviewed in considerable detail especially with respect to future plans. These actions resulted in some of the organizational changes previously mentioned and in substantial personnel savings.

Total employment in the Production and Marketing Administration was reduced during the 1953 fiscal year from 11,107 to 10,728, a reduction of 379. This was in addition to several previous reductions which had brought total PMA employment to a new low. In the Washington metropolitan area, the reduction was from 2449 to 2168, a total of 281. A large percentage of this decrease in employment was the result of a reduction in force. In the Washington metropolitan area, more than 250 positions were declared surplus, resulting in actions on more than 400 employees. Of this number, 153 were separations, 91 were demotions, and the remainder were retirements, reassignments, transfers, etc. Care was taken to see that the reduction-in-force actions were not confined to the lower grades.

It is significant to note that PMA full-time employment has been reduced almost 22 percent in the last 3 years from 12,285 full-time employees as of June 30, 1950, to 9,589 as of June 30, 1953. During that period there has been no significant change in program volume or complexity except for the recent transfer of 53 Agricultural Conservation Program employees to the Research, Extension, and Land Use Group.

### Change in PMA State Committee Operations

Several changes have been made in State PMA Committee operations for the purpose of increasing efficiency and promoting economy.

All State Committeemen will be employed on a part-time rather than a full-time basis. We expect this change not only to reduce costs, but to attract many capable and interested farmers to serve in these positions who otherwise would be unwilling or unable to serve.

The Committee's functions will be confined to policy-making. The Committees will operate in much the same manner as a board of directors. The execution of their policies will be carried out by employees under their direction and responsible to them. Freeing committeemen from routine administrative matters will require less of their valuable time. It will also permit them to render the kind of service for which they are best qualified.



A rotation system is being established for each State Committee under which one or more State Committeemen will be replaced each year. This will not only enable us to bring fresh and wider viewpoints to bear on State problems, but will insure stability and continuity of policy by retaining experienced members on the Committee from one year to the next.

#### Changes in FMA County Committee Operations

Except for the rotation system, we are changing the operations of FMA's farmer-elected county committees similar to that outlined above for State Committees. Also we are providing for the employment of full-time county office managers who will be responsible for carrying out county committee policies and supervising daily activities of the county office.

In collaboration with State Office representatives, we have developed and prescribed uniform grades, qualification standards, salary schedules, and applications for employment for use by all county offices in the selection and reimbursement of county office managers and full-time employees. We have also made suggestions to facilitate conversion to the new system and to aid in the selection of county office managers.

We believe these actions will increase the effectiveness of program operations, increase employee moral, and assure more competent committeemen and employees without a corresponding increase in administrative expenses.

#### Disposition of CCC Records

Since the Commodity Credit Corporation was formed in 1933, records of its many transactions accumulated in great volume. Until recently it was the policy to retain all original papers and only limited authority was granted for disposition. These records were filed throughout the country in private as well as governmental offices.

For several years the Office of Administrative Services conducted studies of the reference value of this material. These studies resulted in preparation of a statement and proposed Policy Docket which was approved by the CCC Board and signed by the Secretary of Agriculture. The docket provided for classifying the records into separate and distinct groups for retention, transfer, and disposition purposes.

A comprehensive Control Schedule was then prepared requesting Congressional authority for disposition of selected material. This authority was granted by the Joint Committee on the Disposition of Executive Papers. Subsequent administrative instructions have been issued and records officers are assisting FMA field offices, lending agencies, and Washington headquarters offices with the vast disposal job.



### Insurance on Cotton Loan Collateral

The insurance against loss by flood and certain other risks previously carried by CCC on cotton loan collateral has been discontinued beginning with 1953 crop year. CCC formerly paid the premiums direct to the insuring agent and collected the cost from the producer at the time of loan redemption. On the basis of the current estimate of the price support loan for 1953, this will result in a saving to cotton producers (or in part to CCC) of more than one-half million dollars. Significant savings will also accrue to CCC because of reduced administrative costs and custodial expense. While CCC will assume the risks of loss previously covered by the insurance, the cumulative history of the insurance recoveries indicates that such losses will amount to substantially less than the savings.

### Examples of Internal Improvements in Field Offices

The Kansas City Commodity Office devised and installed a machine operation for use in connection with inventory management functions of the 1952 Wheat Loan Program. Formerly, most of this work was performed by hand methods. As an indication of the increased efficiency, a maximum of 301 employees will handle the detailed record keeping on over 200 million bushels of wheat in addition to performing other work while in 1950 the office acquired only 100 million bushels of wheat and employed over 450 people to carry out its functions.

The Minneapolis Commodity Office established an inventory control system on bulk commodities which provides a daily inventory position record and has greatly increased efficiency in the preparation and issuance of loading orders.

FMA branches and offices in Washington and the field have made numerous other changes of considerable importance insofar as their individual programs or activities are concerned. Those are not included in this report for the sake of brevity. They involve such matters as decentralization of authorities, simplification of program administration, consolidation of procedural manuals and handbooks, and improvement of services rendered to the general public.

During the 1954 fiscal year we will continue to place the highest priority on management matters with emphasis on attaining the most effective organizational and staffing pattern for all units considering our program assignments and responsibilities for protecting the interests of the nation's citizens.

